Chapter 20
Using IT-Supported Knowledge Repositories for Succession Planning in SMEs: How to Deal with Knowledge Loss?

Susanne Durst
University of Skövde, Sweden

Lena Aggestam
University of Skövde, Sweden

ABSTRACT
In the context of succession planning a huge number of critical knowledge can be at risk. This challenges smaller firms in particular. Based upon this, the chapter intends to highlight the contribution of IT-supported repositories to small and medium-sized enterprises (SME) succession planning as a promising approach to better cope with the risk of knowledge loss. More precisely, the aim of this chapter is to analyze different types of knowledge loss in the capture process with SME succession planning to demonstrate the potentials and deficiencies with IT-supported knowledge repositories. The findings presented in this chapter will hopefully contribute to a better understanding of how to deal with knowledge loss in the capture process when using IT-supported knowledge repositories for SME succession planning.

INTRODUCTION
The aging society will soon lead to a number of retirements in companies that cannot be compensated for by the smaller number of succeeding individuals. Even though this issue means a challenge to every company, it seems that it affects small and medium-sized enterprises (SMEs) in particular (Commission of the European Communities, 2006). At the same time, knowledge is viewed as the key strategic resource needed to stay competitive and develop (Spender, 1996). Consequently, all companies, regardless of size, need to identify and implement systematic approaches to cope with the demographic challenge and its possible internal and external consequences with respect to the companies’ capability to take actions

DOI: 10.4018/978-1-5225-0948-6.ch020
Using IT-Supported Knowledge Repositories for Succession Planning in SMEs

(DeLong, 2004). One may conclude that the required knowledge management (KM) work should primarily address knowledge retention and knowledge sharing to reduce the risk of knowledge attrition (or even worse knowledge loss); the aspects of succession planning and KM are thus of strategic importance. This also means that the time has finally come to take a proactive approach to organizational knowledge (Von Krogh et al., 2001). IT-supported knowledge repositories are considered to take a key role in KM (Kankanahalli et al., 2005), and having knowledge conversion in mind (Nonaka and Takeuchi, 1995), they could therefore provide support in addressing the challenge outlined above.

Against this background, this chapter attempts to contribute to the body of knowledge concerning the use of IT-supported knowledge repositories in SME succession planning. Thereby the focus is on the capturing process as it presents the main component to make knowledge repositories working. Therefore, the aim of this paper is to analyse different types of knowledge loss in the capturing process from the perspective of SME succession planning in order to obtain an improved understanding of the situation which may also allow a better handling of it. To achieve the aim, the authors take advantage of their previous research activities in the areas of SME succession planning and knowledge loss.

The chapter is structured as follows. In the next section, important domains relevant to the study are introduced briefly. This is followed by a section that presents the theoretical analysis and results regarding SME succession planning and knowledge loss in the capture process. The chapter concludes in section 4, which also addresses some implications and future research directions.

BACKGROUND

Succession Planning and Its Relevance to SMEs

Succession is an event that sooner or later confronts all organizations regardless of their size (Dyck et al., 2002). Consequently, succession planning should take the highest priority within organizations in order to avoid the situation of “falling into a hole”. According to Sambrook (2005, p. 580), succession planning refers to the “attempt to plan for the right number and quality of managers and key-skilled employees to cover retirements, death, serious illness or promotion, and any new positions which may be created in future organisation plans”. Activities such as selection, development and training of the follow-up as well as activities by the predecessor such as documentation and induction of the successor can be assigned to this process. Succession planning is believed to help affected organizations to address this challenge (Pynes, 2004), as it can provide relevant information about needed knowledge and capabilities. Therefore, succession planning is viewed as an important way to address retirement and its consequences (McQuade et al., 2007).

Even though succession planning should play a crucial role in organizations and therefore suitable measures should be in place, it is not unusual to observe that new appointees never meet their predecessors (Kransdorff, 1996). Succession is less frequent in SMEs than in large companies, consequently practical experience is relatively low (Kesner and Sebora, 1994). That is why Kesner and Sebora (1994) spot a special significance of succession in smaller firms. Moreover, the pool of potential successors for SMEs is smaller than for larger public firms (Le Breton-Miller et al., 2004). Thus in the worst case, the company is closed or the owner continues to lead the enterprise beyond the pensionable age. In addition, the centrality of the owner (incumbent) is regarded as a reason for making succession in SMEs more difficult (Com-
12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the product's webpage:

www.igi-global.com/chapter/using-it-supported-knowledge-repositories-for-succession-planning-in-smes/171754?camid=4v1


www.igi-global.com/e-resources/library-recommendation/?id=94

Related Content

Tailor-Made Distance Education as a Retention Strategy: The "Learning at the Workplace" Program in Thailand
www.igi-global.com/chapter/tailor-made-distance-education-retention/43271?camid=4v1a

An Exploratory Cross-National Study of Information Sharing and Human Resource Information Systems
www.igi-global.com/chapter/exploratory-cross-national-study-information/67146?camid=4v1a

Theory and Application of Leadership
www.igi-global.com/chapter/theory-application-leadership/13323?camid=4v1a

Cultural Intelligence in Organizational Contexts and Human Resource Management
Manuel Moyano (2016). Strategic Labor Relations Management in Modern Organizations (pp. 121-134).
www.igi-global.com/chapter/cultural-intelligence-in-organizational-contexts-and-human-resource-management/150676?camid=4v1a